

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☐ Negative ☒ See below

196D-SA-39363-1;12;107 (subp)

Subject's name and aliases
Jackson, T. Stephens, Jr.
a.k.a. Steve

Character of case
campaign contributions violations

Complainant ☒ Protect Source

Complaint received

☐ Personal ☐ Telephonic Date 3/15/98 Time

Address of Subject
Unk

Complainant's address and telephone number

Complainant's DOB
not given

Sex
Male

Subject's
Description

Race
White

☒ Male

Height

Hair

Build

Birth date and birth place

Age

☐ Female

Weight

Eyes

Complexion

Social Security Number

Scars, marks and other data

Employer

Address

Telephone

Vehicle Description

Facts of Complaint

On 3/15/98 writer received information from symbolized source who had been contacted by

who was given attached information to provide to the FBI.

is and believes he has

information regarding others which may be of interest to the FBI. The gist of the information which has to offer

suggests that Stephens and his family have been involved in illegal handling of campaign contributions to the Democratic National Party. The Stephens are apparently wealthy businessmen based out of Little Rock, Arkansas and have lengthy and continuing ties to the Clinton administration and associates. provided the attached info to believing that can get the information to FBI through trusted contacts. Based on a review of

written summary by writer, it appears that

Stephens does not have substantial information to provide, but according to the sources has and will provide specific and detailed facts to an

SA

(Complaint received by)

Do not write in this space.

56D-SA-47471-1

| | |
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| FILED | |
| APR 29 1998 | |
| FBI - SAN ANTONIO. | |

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079 LBCO1. OTH.

interviewing agent. The written summary provided itself is not detailed enough to make a determination of any sort. [REDACTED]

[REDACTED]
[REDACTED] has stated that he is willing to testify in any matter in which his testimony may be needed. The attached information is provided to the appropriate squad for their review and assessment.

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/14/98

[redacted] contacted Special Agent (SA) [redacted] Being aware of the identity of the interviewing Agent and after being advised of the nature of the interview, [redacted] provided the following information:

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[redacted]
[redacted]
[redacted]

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[redacted]
[redacted]
[redacted]

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[redacted] contends that the government knew or should have known that Stephens was lying [redacted]

[redacted]

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[redacted] agreed to contact [redacted] to determine what information [redacted] wished to provide to the Federal Bureau of Investigation relative to [redacted] and any other topics. [redacted] will then re-contact SA [redacted]

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56D-SA-47471-2

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| FILED | ✓ | |
| MAY 15 1998 | | |
| FBI - SAN ANTONIO | | |
| 17 | | |

Investigation on 5/7/98 at San Antonio, Texas (telephonically)File # 56D-SA-47471 Date dictated 5/11/98

by SA [redacted]

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/14/98

[redacted] contacted Special Agent (SA) [redacted] Being aware of the identity of the interviewing Agent and after being advised of the nature of the interview, [redacted] provided the following information:

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[redacted]
[redacted]
[redacted]

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[redacted]
[redacted]
[redacted]
[redacted]

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[redacted]
[redacted]
[redacted]

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[redacted] agreed to contact [redacted] to determine what information [redacted] wished to provide to the Federal Bureau of Investigation relative to [redacted] and any other topics. [redacted] will then re-contact SA [redacted]

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b7CInvestigation on 5/7/98 at San Antonio, Texas (telephonically)File # 56D-SA-47471 -2 Date dictated 5/11/98by SA [redacted] :esb6
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September 25, 1998

Special Agent [redacted]
F.B.I.
Post Office Box 1630
San Antonio, Texas 78296-1630

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RE: [redacted]

Dear Special Agent [redacted]

I represent [redacted] who is [redacted]

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[redacted] has asked me to forward a copy of [redacted] and a copy to Special Agent [redacted]. That copy is enclosed pursuant to [redacted] request.

Sincerely

Enclosure

xc: Special Agent [redacted]

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MAINTAINED IN
SEPARATE 1A SECTION

56D-SA-47471-3

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| FILED | <u>2</u> | |
| OCT 15 1998 | | |
| FBI — SAN ANTONIO | | |

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/6/98

[redacted] date of birth [redacted]
[redacted] was contacted at the [redacted]
[redacted] After being advised of the identities of the
interviewing Agents and the nature of the interview, [redacted]
provided the following information:

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[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

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[redacted]
[redacted]
[redacted]
[redacted]

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[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

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[redacted] attorney to obtain advice
on how to best present the information he has.

The Wall Street Journal article [redacted] provided is
attached to and considered a part of this FD-302.

Investigation on [redacted]

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b7DFile # 56D-~~SA~~-47471-4Date dictated 10/6/1998

by SA [redacted]

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REVIEW & OUTLOOK

BCCI: The Mystery Lingers

Forget the old brain teaser about a tree falling in a forest not making any noise unless there's someone around to hear it. We know that the world's largest bank fraud can go almost unnoticed, except to Manhattan District Attorney Robert Morgenthau. We refer, in case you've forgotten, to the Bank of Credit & Commerce International, which was back in the news in two jurisdictions last week.

In Washington, Clark Clifford and Robert Altman agreed to give up \$18.5 million in claims on stock and legal fees connected with First American Bankshares, the BCCI front they once headed in the nation's capital. In Luxembourg, BCCI auditors Price Waterhouse and Ernst & Young agreed to a payment of \$125 million to the defunct bank's customers; the creditors will now recover more than half their money—more than quadruple the best estimates at the time BCCI went under.

These people, many of them Pakistani nationals in Britain, will be mighty glad that Mr. Morgenthau pursued the case when the Bank of England, the Justice Department and various others ducked. Yet for all the smoke Mr. Morgenthau uncovered we have only glimmers of the fire that led to it all. There are still unresolved questions about the political patronage that has helped shield BCCI principals from a full reckoning, and in particular about how a crooked Pakistani-Arab bank got control of the largest bank in Washington, D.C.



Robert Morgenthau

In this respect, the Altman-Clifford settlement is particularly striking. At issue has always been whether the two knew that BCCI was the real owner of First American, of which they were, respectively, president and chairman. Mr. Altman beat criminal charges of fraud and lying to banking regulators; Mr. Clifford was not charged because of his age and health. When the Federal Reserve Board settled civil fraud charges back in February, the two claimed that the central charges against them were "wholly untrue" and that the "remaining issues would have been resolved in their favor" had they gone to court. Maybe. But their checkbook said otherwise. In the Fed settlement, the two forked over \$5 million in stock to compensate BCCI creditors. And last week they agreed to drop all claims to \$18.5 million in stock and legal fees, in return for an end to remaining legal action against them.

Yet the essential mystery remains. Doubtless that's just the way many would like to leave it, because the names that pop up read like some kind of Who's Who. There is, to begin with, a large Arkansas connection, since Little Rock investment giant Stephens Inc. assembled the bloc of First American stock for the BCCI front men. Assisting in these transactions was the now-famous Rose Law Firm, then headed by Joseph Giroir, more lately a representative of the Riady family of Indonesia and participant in the notorious September 13, 1995, Oval Office

meeting at which John Huang was dispatched to his fund-raising tasks.

Rose Attorney Hillary Rodham represented a Stephens subsidiary, the Systematics bank-data processing firm, in a related lawsuit. James Riady made his first appearance in Little Rock about the time these transactions took place, with his family ending up with a piece of the Stephens-dominated Worthen Bank. Another player was Bert Lance, Jimmy Carter's disgraced head of Office of Management and Budget, who apparently hoped to head First American himself. All of these people deny that they knew anything crooked was taking place, just a group of smart, well-connected Friends of Bill stunningly ignorant about the people they were doing business with.

Yet since the mystery has never been cleared up, you can't blame those of us who followed it from remembering names as they turn up in today's news. Nicholas Katzenbach, for instance; the former Attorney General surfaced last week with two of Mr. Clinton's serial White House counsels, defending the President against impeachment in a New York Times op-ed. We remember that Mr. Katzenbach replaced Mr. Clifford when the latter resigned from First American in 1991.

Ditto for John E. "Jack" Ryan, who ended up as head of the Resolution Trust Company and denied Rep. Jim Leach's request for documents relating to Madison Guaranty Trust, the Whitewater S&L. We remember that it was under Mr. Ryan's watch as head of bank supervision at the Fed that BCCI won approval to buy First American.

For those who worry that a BCCI investigation might be too partisan, we also remember that it was Senator Orrin Hatch who delivered a floor speech praising BCCI for agreeing to a settlement when Tampa prosecutors first found evidence of the bank's involvement in drug running. As head of the Judiciary Committee, of course, Mr. Hatch, would play a key role if an impeachment ever reached the Senate.

Finally, what do we make of the report that the National Commercial Bank of Saudi Arabia has close links with the owner of the suspect pharmaceutical plant bombed in the controversial raid on Sudan. We remember that the bank was run by Khalid bin Mahfouz, one of the BCCI front men in their purchase of First American.

Seven years after BCCI was shut down, the culpability (if any) of all these people remains unclear and unlikely ever to be resolved. What we do know, as Senator Kerry's 1992 report to the Foreign Relations Committee states, is that BCCI was not a good bank that went bad; from the beginning its criminality "was inherent in the bank's philosophy." And that a key component of BCCI's U.S. strategy was the "aggressive use of a series of prominent Americans" to lend "their names and their reputations to BCCI at critical moments." But of course none of these people understood the bank's nature; to believe that defense we must believe that the savviest, most well-connected players in Washington never understood what was going on before their eyes.

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/07/1998

To: Criminal Investigative

Attn: Public Corruption Unit

From: San Antonio

Squad 8

Contact: SA [redacted]

tel. [redacted]

Approved By [redacted]

Drafted By [redacted]

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Case ID #: 56D-SA-47471

Title: Jackson T. Stephens, Jr., aka
Steve Stephens;
Election Laws

Synopsis: The purpose of this ec is to provide the Public Corruption Unit with information obtained during the course of investigating the captioned matter.

Enclosures: Enclosed for FBIHQ, Public Corruption Unit, is an FD-302 reflecting the results of an interview with [redacted]

Details: For information of FBIHQ, Public Corruption Unit, San Antonio Division received information that [redacted] had evidence of violations of election laws. [redacted]

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As indicated on the attached FD-302 [redacted] would not provide any detailed, specific information to the interviewing Agents. [redacted]

[redacted] agreed to contact his attorney, [redacted] to receive advice as to how to provide the information he has.

Note that [redacted]

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[redacted] According to [redacted] Chief of the Criminal Division of the United States Attorney's Office in San Antonio, Texas, the matter has been referred to the Department of Justice's Office of Professional Responsibility.

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56D-SA-47471-5

To: Criminal Investigative From: San Antonio
Re: 56D-SA-47471, 10/07/1998

[redacted] attorney, advised Special Agent (SA) [redacted] that she wants to provide the information relating to the violations of campaign laws to the appropriate authority. The Public Corruption Unit is requested to contact [redacted] and coordinate the receipt of [redacted] information to the appropriate authority. [redacted] telephone number [redacted] Absent special circumstances, any leads to interview [redacted] [redacted] should be set for Houston Division, Corpus Christi Resident Agency.

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San Antonio lacks venue in this matter and is closing its case at this time.

♦♦

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/01/1998

To: Houston

Attn: Corpus Christi RA

From: San Antonio

Squad 8

Contact: SA [REDACTED]

Approved By [REDACTED]

Drafted By: [REDACTED]

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Case ID #: 56D-SA-47471

Title: JACKSON T. STEPHENS, aka
Steve Stephens;
Election Laws

Synopsis: Document concurrence of Houston Division for travel into Houston Division by two San Antonio Special Agents (SAs).

Details: Per a telephone call from San Antonio to Houston Division, Corpus Christi Resident Agent, SAs [REDACTED] and [REDACTED] will travel to [REDACTED] for the purpose of interviewing [REDACTED]

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SAC, San Antonio and SAC, Houston concur with travel.

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Rec'd. 9/12/99
to file. Document
not uploaded.
AS.

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(cc to [REDACTED])

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